

# MIDWEST ROLLING STOCK - SECTION 6 PLAN

Ownership, Management and Maintenance Planning for the  
Midwest Fleet of Cars and Locomotives

John E. Oimoen

Deputy Director, Rail – IDOT



# OVERVIEW

FRA Grant Agreement required development of a rolling stock ownership, management, maintenance and deployment plan.

The Section 6 Plan addresses ownership structure, management responsibilities, maintenance requirements, funding stability and provisions for deployment/redeployment on the Midwest “Hub” network



# AGENDA

- Plan's Perspective
- Fleet Ownership
- Management Structure
- Management Board Responsibilities
- Fleet Manager's Scope
- PRIIA 209 Compliance
- Financial Management
- Conclusions



# PLAN'S PERSPECTIVE

Plan considers Short- and Long-Term Horizons

- Short-term = existing locomotive lease to Amtrak (ends December 31, 2019)
- Long-term = beyond end of existing locomotive lease – considering manufacturer's recommended repair and overhaul action over the 25-year locomotive life

Growth of Midwest Fleet:

- Plan's immediate consideration is the 33 locomotives
- 88-car order from Siemens will begin delivery in 2020



# FLEET OWNERSHIP

Illinois, Michigan, Missouri and Wisconsin formed a Midwest Fleet Pool Board to:

- Share Costs for Management, Ownership and Maintenance of the Midwest Fleet
- Determine and Execute Joint Ownership Agreements between the four states
- Investigate options for maintenance and storage facilities
- Conduct annual reviews of Ownership Allocation for each piece of rolling stock



# MANAGEMENT STRUCTURE

- The four states jointly-own the locomotives and cars
- Midwest Fleet Pool Board serves to coordinate and implement this joint ownership
- Board contracted for services of a Midwest Fleet Manager (owner's representative)
- Coordination with Service Operator/Maintainer
- Regular reporting to the Midwest States – monthly equipment meetings and quarterly Fleet Pool Board meetings



# MANAGEMENT BOARD RESPONSIBILITIES

- Coordinate and Implement Joint Ownership, including free movement of the locomotives and cars throughout the Midwest “Hub” network
- Implement contracts for and manage performance of Fleet Manager and Fleet Maintainer (future)
- Develop rolling five-year financial plan for capital and operating expenses
- Coordinate the budget planning process



# FLEET MANAGER'S SCOPE

- Fleet Management Implementation
- Maintenance Facility Feasibility Study
- Establishment of Fleet Management
- Organizational Development of Final Fleet Management Model





# PRIIA 209 COMPLIANCE

- New locomotives and cars are expected to reduce costs compared to existing equipment
- Fleet Manager will oversee transition from the existing units-used methodology to actual-costs
- Two-year process, requires close coordination with Amtrak



# FINANCIAL MANAGEMENT

- Loco Builder's Life-Cycle Cost Analysis initially used to forecast expected maintenance costs
- Extensive sharing of operating and maintenance cost data between the Midwest, Caltrans, WSDOT, MARC and All-Aboard Florida
- Implementation of an Asset Management System in the Midwest
- Critical to have stable, predictable source of revenue for future rolling stock capital expenditures
- Ability to receive, protect and disperse funds
- Five-year forecast per the Midwest Ownership Agreement



# CONCLUSIONS

- On-going process – focused efforts by the states, the Fleet Manager and the FRA are essential
- Mechanism for receiving funds was critical
- Section 6 Plan will continue to evolve
- Thanks for your time and attention!